

CIA/02 WALTERS

Vernon

CONFIDENTIAL

UNCLASSIFIED

CIA OPERATIONS CENTER

Date: 11 Nov

Item No: 25

Ref No:

NEWS ANALYSIS SERVICE

Cum

DIST:

DCI
DDCI
D/DC
NIO
EXEC
DDSS
DDI
DDO
DDM&
D/OC
OSR
OER
C/OE
eap
eur
mea
wh

Thuerme
GenCo

Cover-up Trial Bit NL 440, Three Takes 1300

By DONALD M. ROTHBERG
Associated Press Writer

WASHINGTON AP - Watergate prosecutors traced Monday how former President Richard M. Nixon and his aides tried to get top Central Intelligence Agency officials to convince the FBI to rein in its investigation of the break-in at Democratic National Committee headquarters.

Lt. Gen. Vernon A. Walters, deputy director of the CIA, and L. Patrick Gray III, former acting head of the FBI, testified at the session of the Watergate cover-up trial in which a tape was played of Nixon agreeing that the FBI probe had to be brought under control. As the same time, the Supreme Court let stand a lower court decision rejecting a motion by former White House staff chief H.R. Haldeman to strike down the indictments of the men charged in the cover-up. Haldeman had contended the grand jury was not legally in existence when the indictments were handed down. The Watergate prosecutors played tape segments of three meetings between Nixon and Haldeman on June 23, 1972, six days after the break-in.

Between the second and third meetings, Haldeman and John D. Ehrlichman met with Walters and Richard Helms, then CIA director, and Haldeman instructed Walters to tell Gray that FBI attempts to trace money found on the Watergate burglars could compromise covert CIA activities in Mexico.

When defense attorneys tried to block a portion of Gray's testimony about his subsequent meeting with Walters, prosecutor James F. Neal argued that "these are the obstructive words . . . there is no other way you can show the clear agency from Haldeman to the former President of the United States to Ehrlichman to Walters to Gray, and that is obstruction. We've got to be able to show the very words that obstructed the FBI investigation for two weeks in this case." Referring to the message Walters carried to Gray, Neal said, "They the FBI weren't about to uncover anything except a plot to bug Democratic National Committee headquarters."

During his first meeting with Nixon, Haldeman advised the then president that the FBI investigation of the break-in "is now leading into some productive areas, because they've been able to trace the money."

He suggested that Gray be told that there was CIA involvement that had to be protected.

Nixon agreed and told Haldeman, "You call them in . . . Play it tough . . . Don't lie to them to the extent to say there is no involvement, but just say this is sort of a comedy of errors . . . and that they should call the FBI in and say that we wish for the country, don't go any further into this case, period."

WASHINGTON Take 2 Cover-up Trial Bit NL: period. 450

A few minutes before the meeting with Walters and Helms, Nixon and Haldeman met again and the president was heard to say on the tape, "It's likely to blow the whole, uh, Bay of Pigs thing which we think would be very unfortunate for CIA and for the country at this time, and for American foreign policy."

Immediately after the meeting, Haldeman reported to Nixon that "it's no problem."

Haldeman, Ehrlichman, former Atty. Gen. John N. Mitchell, former Asst. Atty. General, and one-time attorney for Nixon's re-election committee, are on trial on charges of conspiring to obstruct the Watergate investigation.

Nixon was named an unindicted co-conspirator by the grand jury that brought charges against the other five.

Gray testified that he received a telephone call on June 23 from John W. Dean III, then White House counsel, who told him, "It was pretty important I talk to Gen. Walters, that he had something to tell me."

Gray testified that the evening before he had briefed Dean on the progress of the FBI's investigation, including its success in tracing \$4,300 found on the Watergate burglars.

Gray said he told Dean, "We are going to pursue these leads with vigor because we want to discover where these monies had come from."

Gray said the first White House aide he talked to about the break-in was Ehrlichman, who told him that "John Dean was going to be conducting an investigation for the White House into the Watergate matter, and that I should deal directly with John Dean."

Gray was named acting director of the FBI upon the death of J. Edgar Hoover in May 1972. He resigned on April 27, 1973, after it had become apparent that because of his handling of the Watergate investigation the Senate would not confirm his appointment.

Walters described the White House meeting on June 23 in which he quoted Haldeman as saying, "The bugging of Watergate case was making a lot of noise and the Democrats were trying to maximize it, the investigation was leading to a lot of important people and it was getting worse."

Then, said Walters, Haldeman said, "It is the President's wish" that Walters go to Gray and tell him that the FBI investigation could betray certain CIA "assets and channels" in Mexico.

Walters said Helms protested that he knew of no CIA assets that could be compromised by the FBI investigation but that Haldeman said nevertheless the president wants Walters to go ahead.

Walters said the only part Ehrlichman took in the conversation, which was in his office, was to offer Walters the use of his telephone to call Gray.

WASHINGTON Take 3 Cover-up Trial Eft: Gray. 410

Asked if he knew personally of any CIA activity that could be compromised, Walters, who had joined the CIA only a month earlier, said, "No, I did not. . . . But it seemed conceivable to me Mr. Haldeman might have information I didn't have."

One hour later Walters delivered the message to Gray.

Subsequently, he and Helms double-checked and determined there was no CIA activity, and on July 6, 1972, Walters went back to Gray and "I said to Mr. Gray that I could not tell him the further pursuit of his investigation in Mexico would uncover CIA assets and channels."

"At some point, I said the President should be protected from his would-be protectors."

Walters also described a series of meetings with Dean in which the White House counsel asked for CIA financial help for the Watergate burglars. Walters turned him down.

Cross-examination of Walters was put off while defense counsel, with help from U.S. District Judge John J. Sirica, attempted to get a House subcommittee to surrender classified testimony it received from Walters and Helms about the incident.

The committee's report on the effort to involve the CIA in Watergate noted that there were "material inconsistencies" in some of the testimony it received.

Sirica told a committee aide who appeared briefly in court, "I think frankly if there are inconsistencies in the testimony that in the interest of justice and giving the defendants a fair trial I would hope the committee would re-evaluate this matter and release the material. If they will not do that I will have to consider whether under the law they can be required to do so."

The committee aide said it would not make a decision of the full House, which is scheduled to reconvene next Monday.